

CENTRAL INTELLIGENCE AGENCY
CONFIDENTIAL
INFORMATIVE REPORT

REPORT

COUNTRY Austria/USSR

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SUBJECT USIA Maintaining Present Status Until
Future Organization Determined

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1. A recent order issued by Malavin, head of USIA Central HQ, to the effect that USIA will be split up into a series of vertical trusts with overall control from Moscow, has now been suspended. Until the future of the organization has been decided, USIA will remain, as before, centrally controlled from Austria.

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2. In pursuance of this policy, the USIA authorities have abandoned negotiations which they had opened for long leases on certain of the premises held by them. USIA premises are being retained, and new premises requisitioned, on a military basis.

3. The Trattnerhof headquarters of USIA, which had been the subject of some negotiations, has now been simply requisitioned as "German property".

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Comment: It has been learned that the Trattnerhof building was formerly the property of the Trieste Assicurazioni Generali, an Italian insurance company which was taken over by the Germans in 1943.)

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4. Malavin is also conducting a drive to clean up USIA personnel. Arpad Haas, Austrian [redacted] who is one of the organizers of the Aktionskomitee in the factories and adviser to USIA on personnel, has been ordered to remove and send home all subjects of Soviet satellite states employed in USIA factories and to transfer all Communist party members employed in administrative posts in USIA to more active posts in USIA-controlled factories. If replacements are required, Russians will be employed.

5. Great care is being taken to see that all Russians, particularly in high positions, who have become infected with any form of "capitalist corruption" are returned to the USSR.

6. As of 1 March 1948, Gosbank suspended all cash credits to USIA-held factories. No fresh replacements or transfers of machinery are being made for the time being.

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